



April 30, 2012

BY ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554
WT Docket No. 11-186

Dear Ms. Dortch:

The Progressive Policy Institute (PPI) would like to comment on two aspects of the State of Mobile Wireless Competition. First, we note that we are in a period of extremely rapid innovation in wireless, led by the so-called “App Economy”—a soaring quantity of useful applications and content flowing out of thousands of developers and content creators, running on advanced smartphones designed and assembled by U.S. and global companies, linked together by broadband mobile links that are continually being upgraded by wireless providers. These interlinked ecosystems of the App Economy have been able to generate almost a half million jobs, with many more to come.¹

Given the growing success of the App Economy, the FCC can no longer focus narrowly on competition between individual companies in particular markets, without considering the potential for vibrant competition among ecosystems. That point was made in our December 2011 paper, “Scale and Innovation in Today’s Economy.”²

In that paper, we made another argument as well—that one of the “biggest drags” on the economy is a lack of investment and an emphasis on consumption rather than production. The one area where this has not been true is telecom, where the major providers have poured billions of dollars into building out the broadband wireless networks.

¹ Michael Mandel, “Where the Jobs Are: The App Economy,” TechNet, February 2012.

² Michael Mandel, “Scale and Innovation in Today’s Economy,” Progressive Policy Institute, December 2011

That suggests the FCC needs to consider incentives for investment at the same time it considers the degree of competition. The App Economy is real and growing, but depends on increasing the coverage and capacity of the high-speed wireless broadband networks. And to do that quickly may require the financial muscle of larger companies. As the “Scale and Innovation” paper notes:

Scale is not the enemy of American prosperity, when achieved through honest competition.... Companies that invest, innovate, and focus on production here in the U.S. should be treasured and encouraged—even if they are big.

In the end, investment and innovation are the keys to long-term economic success for Americans.

Thank you,

/s/

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